

The original documents are located in Box 4, folder “Arab Boycott - John Bennison Letter re Administration Position” of the John Marsh Files at the Gerald R. Ford Presidential Library.

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AUG 28 1976

THE WHITE HOUSE
WASHINGTON

Date August 27, 1976

TO: JACK MARSH

FROM: DAVID LISSY



Letter on Arab Boycott

By Joy Cook

A White House official has complained that American businesses could be harassed by "certain New York interests" if the firms are forced to reveal their participation in the Arab economic boycott of Israel.

The Anti-Defamation

League of B'nai B'rith yesterday made public the statement, contained in an Aug. 10 letter from a lawyer with the White House Council on International Economic Policy. It outlined the Administration's opposition to a bill aimed at blocking Arab boycott activities in the U. S.

The league registered (D-N.J.), a co-author of "shock and outrage" at the anti-boycott bill which may come up for Senate action today, denounced the letter's "blatant anti-Semitic overtones."

Within hours of a formal protest by the league, a top aide to President Ford had repudiated the letter as "offensive and inappropriate."

Sen. Harrison Williams

The letter had been written by John C. Ben-nison, acting general counsel to the White

Continued on Page 5



[Aug. 25, 1976]

A letter purporting to outline the Administration's position on Arab boycott legislation was brought to our attention this morning by the White House Legislative Affairs Office, as well as the Anti-Defamation League, and an immediate inquiry was undertaken. The letter was written by a staff lawyer at CIEP who should not have attempted to summarize the Administration's position on a complex issue. In referring to "certain New York interest groups", the lawyer's summary and choice of words are offensive and inappropriate. He regrets his action and apologized.



A letter purported^{ing} to outline the Administration's position on ~~anti~~^{Shah} boycott legislation was brought to our attention this morning by the Anti-Defamation League. The letter was written by an agency staff lawyer at a level who should not have attempted to summarize the Administration's position on a complex issue. ~~In~~^I referring to "certain New York interest groups", the lawyer's summary and choice of words ~~were~~^{was} regarded as offensive and inappropriate. He regrets his action and is writing a letter of apology to the recipient of the original letter.



A letter written by a staff lawyer of the Council on International Economic Policy regarding the Administration's views on pending anti-boycott legislation was called to our attention this morning by the Anti-Defamation League. The letter attempted to summarize the Administration's views on a complex matter. It included references to "certain New York interest groups." This was an offensive and inappropriate statement. Such statements are not acceptable from an official of this government. The letter writer has been personally reprimanded and has apologized for his action.



The letter was brought to our attention this morning by the Anti • Defamation League. The letter was written by an agency staff lawyer who inappropriately attempted to summarize the Administration's position on a complex issue. His particular choice of words was offensive and inappropriate and in no way reflect the views of this Administration. He has been personally ~~reprimanded~~ *reprimanded* by his superiors and is writing a letter of apology.



J C I E R ~~18~~

A letter ^{ing} reported to outline the Administration's position on ~~anti~~ ^{draft} boycott legislation was brought to our attention this morning by ~~the~~ ^{the} ~~Anti Defamation League~~. The letter was written by an ~~agency~~ staff lawyer ~~at a level~~ who should not have attempted to summarize the Administration's position on a complex issue. In referring to "certain New York interest groups", the lawyer's summary and choice of words ~~was~~ ^{was} regarded as offensive and inappropriate. He regrets his action and ~~is writing a letter of apology to the recipient of the original letter.~~ ^{has} ~~is writing a letter of apology to the recipient of the original letter.~~

to White House
Legation
Spec. Affairs
inquire in
understand.

as well as
Anti-Defamation
League, ~~for~~



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THE WHITE HOUSE

WASHINGTON

August 25, 1976

Dear Dave:

We appreciated your telephone call this morning advising us of the letter written by a staff lawyer at CIEP on the Administration's Arab boycott position. The following statement represents the Administration's position on this matter:

A letter purporting to outline the Administration's position on Arab boycott legislation was brought to our attention this morning by the White House Legislative Affairs Office, as well as the Anti-Defamation League of B'nai B'rith, and an immediate inquiry was undertaken. The letter was written by a staff lawyer at CIEP who should not have attempted to summarize the Administration's position on a complex issue. In referring to "certain New York interest groups", the lawyer's summary and choice of words are offensive and inappropriate. He regrets his action and has apologized. The lawyer emphasized that he had not intended to offend anyone.

With best regards.

Sincerely,



Edward C. Schmults
Deputy Counsel to the President

Mr. David A. Brody
Director
Washington Office
Anti-Defamation League of B'nai B'rith
1640 Rhode Island Avenue, Northwest
Washington, D. C. 20036



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Deputy Counsel to the President

Mr. David A. Brody
Director
Washington Office
Anti-Defamation League of B'nai B'rith
1640 Rhode Island Avenue, Northwest
Washington, D. C. 20036



August 10, 1976

Mr. Anthony Scotto
Vice President and Legislative Director
International Longshoreman's Association
17 Battery Place
Suite 1530
New York, New York 10004

Dear Mr. Scotto:

As an addendum to our conversation the other day, I am sending you additional information which should assist you in your analysis of pending Arab boycott legislation.

In the Senate, the Stevenson bill (S.9953) has three principal provisions:

- (1) a requirement for the publication of the names of firms complying as well as those not complying with boycott requests;
- (2) a total ban against supplying information regarding race, religion, or national origin; and
- (3) a "refusal to deal" clause which prohibits U.S. companies from choosing U.S. subcontractors on the basis of boycott requirements.

Secretary William E. Simon, in presenting a Treasury statement before the House Committee on International Relations, noted that each of these provisions is either adequately covered by existing law or is otherwise detrimental to a long term solution of the boycott problem. The publication requirement would give boycott officials an enforcement tool and make it more difficult for them to tolerate defacto noncompliance by U.S. businesses. Several large American companies, for instance, do considerable business with both the Arabs and Israel. This public disclosure provision would no doubt result in many of these companies being placed on



the Arab black list, thereby preventing the sale or shipment of their products to the Mideast. Furthermore, should it become public knowledge they are complying with the boycott they could be harassed by certain New York interest groups.

In the House, the Bingham bill (H.R. 4967) and the Drinan bill (H.R. 5913) are even more harmful to trade in that they would prohibit U.S. companies from completing any boycott forms whatsoever. Any firm refusing to fill out boycott forms would be automatically placed on the blacklist, thereby preventing their products from being sold or shipped to Arab countries supporting the boycott. In delicate matters such as these, confrontational legislation is usually counter-productive.

Regardless of particular provisions of these bills, Secretary Simon and other key Administration spokesmen have expressed the feeling that any boycott legislation is particularly inappropriate at this time. Department of Commerce statistics show that in the first 4 months of 1976, exports to Arab countries supporting the boycott increased by 37 percent over the same period a year ago. There are precious few items exported to Arab countries that they cannot obtain elsewhere. This fact was borne out at hearings which totally destroyed a persistent myth that the U.S. is the major exporter to these countries. Our exports amount to less than 13% of total imports into Arab countries. Also, Commerce figures indicate that our exports to Arab boycott countries exceeded \$4.4 billion in 1975, accounting for some 200,000 to 300,000 American jobs.

Administration officials are concerned that this legislation might be viewed narrowly as a means to pre-empt the New York Lisa Law and equalize restrictions presently borne only by New York. However, clearly this legislation would not help to increase New York exports but that it would only reduce exports from all ports in the U.S. As I have indicated, experts view these bills as having serious national impact in terms of export and job losses.

If you need any other information, please do not



Mr. Scotto
August 10, 1976
Page 3

hesitate to contact me.

Sincerely,

John C. Bannison
Acting General Counsel

JCB:lgb:8/10/76

bcc: Secretariat



8/25/76

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THE WHITE HOUSE


WASHINGTON

August 25, 1976

MEMORANDUM FOR:

Jack Marsh ✓
Bill Seidman
Bill Gorog

From:

Ed Schmults 

Here is a copy of the statement that George Meany put out today on the Arab boycott issue. I have dexted this to Dick Cheney and Ron Nessen.

Attachment



IMMEDIATELY, Wednesday, August 25, 1976

AFL-CIO President, George Meany, today strongly urged Senate passage of the bill that would inhibit U. S. businessmen from collaborating in Arab trade boycotts against Israel and lashed out as "profoundly disturbing" Administration hostility to the measure.

In a letter to Senator Adlai Stevenson, III (D. ILL.) Manager of the bill which extends the export administration act and goes to the Senate floor today, Meany objected to the use by Administration spokesmen of "code words that reflect tacit support of the Arab boycott being conducted against Israel".

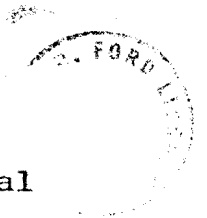
The bill (S. 3084) would require U. S. companies to disclose publicly any Arab pressure to join in the anti-Israel boycott, along with their degree of compliance. It would also forbid exporters to comply with demands for information regarding race, religion, or national origin where such information is sought to help enforce a foreign boycott. These provisions are "wholly consistent with American interest and policies," Meany said, and efforts to strike or weaken them "cannot be countenanced."



Meany assailed as "appalling" arguments advanced by John C. Bennison, Acting General Counsel of the Administration's Council on International Economic Policy, in a letter to the International Longshoremen's Association, that public disclosure would make it difficult for Arab boycotters "to tolerate de facto noncompliance by U. S. businesses" and that those revealed to be complying with the boycott "could be harrassed by certain N. Y. interest groups.

The latter phrase, Meany said, "can only be taken to mean the individuals and organizations who support the right of Israel to exist and ^{who} reject the notion that good business practice requires American citizens and corporations to support the Arabs in their implacable determination to destroy Israel and her people."

Any argument that America's need to trade with the Arabs justifies connivance in the Arab plot against Israel is "beneath contempt," Meany said. "It is true that ^{jobs} ~~politics~~ of American workers are involved, but there are other and better ways to create jobs -- ways that do not involve the betrayal of America's friends, ways that the Administration has so far ^{fiercely} ~~strongly~~ opposed."




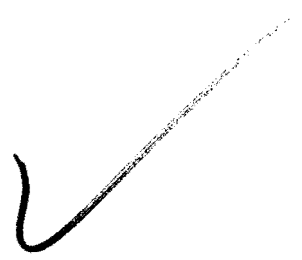
"The AFL-CIO does not share the Administration's willingness to tolerate illicit, unethical business tactics in exchange for Arab business contracts, Meany concluded." We do not see how any Senator, of either party, can in good conscience fail to support the anti-Arab boycott provision in this bill. In the name of decency and national self respect, we urge its passage as strongly as we know how."



THE WHITE HOUSE
WASHINGTON

AUG 27 1976

August 26, 1976


MEMORANDUM FOR: JACK MARSH
FROM: DAVID LISS 
SUBJECT: Bennison Letter/George Brown remarks 

In our discussions yesterday you asked me about the handling of the George Brown issue. We got off the subject and I never answered.

The latest George Brown flap has received no White House response. I am holding a couple of hundred letters to the President which we have not answered because an appropriate response has not been agreed upon.

It is conceivable that a reporter working on the Bennison letter could ask why we have said nothing about George Brown.

cc: Jim Connor



SEP 2 1976

THE WHITE HOUSE
WASHINGTON

September 1, 1976

MEMORANDUM FOR:

JACK MARSH
BILL SEIDMAN
BILL GOROG

FROM:

DAVID LISSY *DL*

SUBJECT:

BENNISON LETTER

FYI Andy Penn (Jack Anderson) called to ask questions about the Bennison letter. I got no sense that any specific column was in the works.



Boycott Letter by Ford Aide Draws Fire From Jews

BY ROBERT A. ROSENBLATT

Times Staff Writer

WASHINGTON, May 12 (AP) —